GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:558
ANSWERED ON:20.02.2003
PRODUCTION OF LETHAL MUNITIONS
A.P. JITHENDER REDDY;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government have approved the production of lethal munitions in private sector as reported in The Hindu dated December 29, 2002;

(b) if so, the details thereof; and

(c) the fresh steps taken to frame safeguards to guard against them falling into rogue hands keeping in view of deteriorating security situation in the country?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) & (b): In May, 2001 Defence industry sector, which was hitherto reserved for the public sector has been opened for Indian Private Sector participation up to 100% with Foreign Direct Investment (FDI), permissible up to 26%, both subject to licensing.The Indian Private Sector can now manufacture all types of defence equipment under license. Letter of intents have been granted to M/s Larsen & Toubro Ltd. and M/s Mahindra & Mahindra Ltd. for manufacture of various types of defence equipment, as reported in the news item.

(c) Guidelines have been issued by the Department of Industrial Policy & Promotion in January, 2002 in consultation with the Ministry of Defence regarding the modalities for consideration of applications of Private entrepreneurs for grant of license. To prevent misuse by rogue elements, the Government have incorporated appropriate safeguards in the guidelines for issue of license.